



# Rule Up For Discussion and Possible Filing

Proposed Amendments to

WAC 230-30-033

Event pull-tab series – Definitions - Restrictions.

**ITEM 14 (a) on the April 9, 2004, Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

## **Who proposed the rule change?**

Bonanza Press, Inc.

## **Why is this rule change needed?**

Roger Wendland, sales representative for Bonanza Press, submitted a Petition for Rule Change requesting an amendment to WAC 230-30-033. This rule sets the requirements for event pull-tab series. Mr. Wendland is requesting an amendment to allow carry-over jackpots to be used in these series.

Staff have reviewed the history of event pull-tab series and offers these observations for your consideration. A nonprofit task force was formed in the fall of 1998 at the request of licensees because of changes in the market place that indicated another downturn in gambling for nonprofits. The task force presented a report to the Commission in 2000. The report included a recommendation to file a rules package to provide new marketing opportunities focused on a bingo operator's pull-tab activity. In March 2001, event pull-tab series were authorized for charitable and nonprofit licensees. These pull-tab series are tied to a bingo game, using bingo ball numbers that are called to determine winners. The games are completed within one bingo session.

WAC 230-30-045 (attached) sets out requirements for pull-tab series offering a carry-over jackpot. The pull-tab series are designed to include a carry-over jackpot, in addition to prizes that are guaranteed to be paid out during the series. A carry-over jackpot is a prize pool that is made up of accumulated contribution amounts from pull-tab series which, if not won, are carried over to another pull-tab series. What this means is that if the game is over and the money designated for a carry-over jackpot is not won, the prize money is moved to a second pull-tab series as a carry-over jackpot. If the carry-over jackpot is not won during the second series, the carry-over jack pot from the second series is added to the jackpot from the first series and carried over to a third series. Under WAC 230-30-045, no more than \$500 may be added to a carry-over jackpot at one time and a jackpot cannot exceed \$2,000.

Staff have reviewed the event pull-tab rule making file and it does not reveal why carry-over jackpots were restricted from use with these series. Staff speculate the restriction was included in this rule because the games were new in the state and this would provide a conservative start to the new game. No problems have arisen as a result of this game and the game appears to be quite popular among players. Each pull-tab series has about 500-600 tickets and normally all tickets are completely sold out. Staff does not have regulatory concerns allowing carry-over jackpots to be used with event pull-tab series.

### Attached:

Memo to the Commission regarding options for handling the Petition

Petition for Rule Change and proposed amendment WAC 230-30-033

WAC 230-30-045

Letter dated March 23, 2004, notifying Mr. Wendland of the April 2004, Commission meeting

## **Statements against the proposed rule change.**

None at this time.

## **Which licensees will be directly impacted?**

Charitable and nonprofit organizations offering event pull-tab series.

## **What are the potential impacts to the agency?**

Minimal.

## **Staff recommendation.**

File for further discussion.

## **Proposed effective date.**

January 1, 2005.